(c) The acquisition of T-90 Tanks docs not in any way affect the indigenous production of MBT Arjun.

Non-Testing of missiles imported during 1996

2739. SHRI SANJAY NIRUPAM: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that missiles imported during 1996 were not tested for their accuracy and effectiveness for two years and in the meantime the warranty period expired causing loss of Rs. 3.41 crore to the State;

(b) if so, whether the matter has been enquired into for such an apathy of not only causing financial loss to the State but also affecting the defence preparedness; and

(c) the action Government has taken or propose to take to bring in discipline in this regard?

THE MINISTER OF DEFENCE (SHRI JASWANT SINGH): (a) to (c) Missiles were shipped to India in August 1996 from the supplier. These were tested within the warranty period. For defective supplies replacements were provided. No financial lo *A* has occurred in this regard.

Land, acquisition for INS Kattabomman

2740. SHRI P. SOUNDARARAJAN: Will the Minister of DEFENCE be pleased to state:

(a) the number of families whose lands have been acquired for setting up of INS Kattabomman in Thirunelnali district of Tamil Nadu;

(b) the number of families who have been provided employment so far;

(c) the number of families who have not been provided employment so far; and

(d) by when the wards of such families will be provided job?

THE MINISTER OF DEFENCE (SHRI JASWANT SINGH): (a) 674.

(b) 021.

(c) and (d) All due compensation to the families whose land were acquired has been paid.

De-reserving production of defence items

2741. SHRI PREM CHAND GUPTA:
SHRI SWARAJ KAUSHAL:
SHRI K. KALAVENKATA RAO:

Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that Government are proposing to de-reserve defence production and open it for private participation through licensing;

(b) if so, by when a decision is likely to be taken;

(c) whether till date production of arms and ammunition alongwith allied items of defence equipment including aircraft and warships are currently in reserved category; and

(d) if so, what are the presently reserved categories of equipment which are to be opened to the private sector and the basis of licensing?

THE MINISTER OF DEFENCE (SHRI JASWANT SINGH): (a) to (d) As per the existing industrial policy, manufacture of arms, ammunition and allied items of defence equipment, defence aircraft and warships is reserved for the public sector. Non-lethal stores required by the Armed Forces and raw materials, semi-finished products, components and sub-systems required by Ordnance factories and Defence PSUs only are being procured from the private sector. In the quest for self-reliance, the private sector shall continue to be associated in defence production with suitable changes in policy and procedures if and when required.